



HOWARD
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Howard Center FY16 Budget

**Green Mountain Care Board
January 13, 2016**

Presentation Overview

Part I: System of Care Overview

- Provider Types
- Program Areas
- Impact on Vermonters
(Employment & Services)
- Cost Comparison
- Funding Streams
- Quality & Outcomes
- Healthcare Reform

Part II: Howard Center Budget

- HC within the system
- HC Service Provision
- Financial Metrics
- Budget Assumptions
- YTY Budget Comparison
- Revenue
- Expenses
- Program Area Summary
- Keys to implementation
- Outlook

Designated Agency & Specialized Service Agency Statewide System of Care

Summary Overview

Statewide System of Care

Provider Types

source: Vermont Care Partners

- **Designated Agencies (DAs)** have a statutory responsibility to meet all of the developmental and mental health services needs of their region within limits of available resource
- **Specialized Service Agencies (SSAs)** provide a distinct approach to services or meet distinct service needs
- DAs and SSAs help the State meet their EPSDT mandate
- Many Designated Agencies are also **preferred providers of substance use disorder services**

Statewide System of Care

Program Areas

source: Vermont Care Partners

Program	Description
Adult Outpatient (AOP)	Provides services for adults who do not have prolonged serious disabilities but who are experiencing emotional, behavioral, or adjustment problems severe enough to warrant professional attention
Community Rehabilitation and Treatment (CRT)*	Provides services for adults with severe and persistent mental illness
Developmental Disabilities Services *	DDS provides comprehensive supports for children and adults who meet Vermont's definition of developmental disability and a funding priority as identified in the State System of Care Plan. Services may include home supports, respite, employment and community supports, clinical services, transportation, and/or family support. Service coordination ties all services and support needed by an individual
Children and Families (C&F)*	Provide services to children and families who are undergoing emotional or psychological distress or are having problems adjusting to changing life situations.
Emergency Services	Serves individuals who are experiencing an acute mental health crisis. These services are provided on a 24-hour a day, 7-day-per-week basis with both telephone and face-to-face services available as needed.
Advocacy and Peer Services	Broad array of support services provided by trained peers (a person who has experienced a mental health condition or psychiatric disability) or peer-managed organizations focused on helping individuals with mental health and other co-occurring conditions to support recovery

*mandated service population

Statewide System of Care Employment and Service Impact

source: Vermont Care Partners

Employment

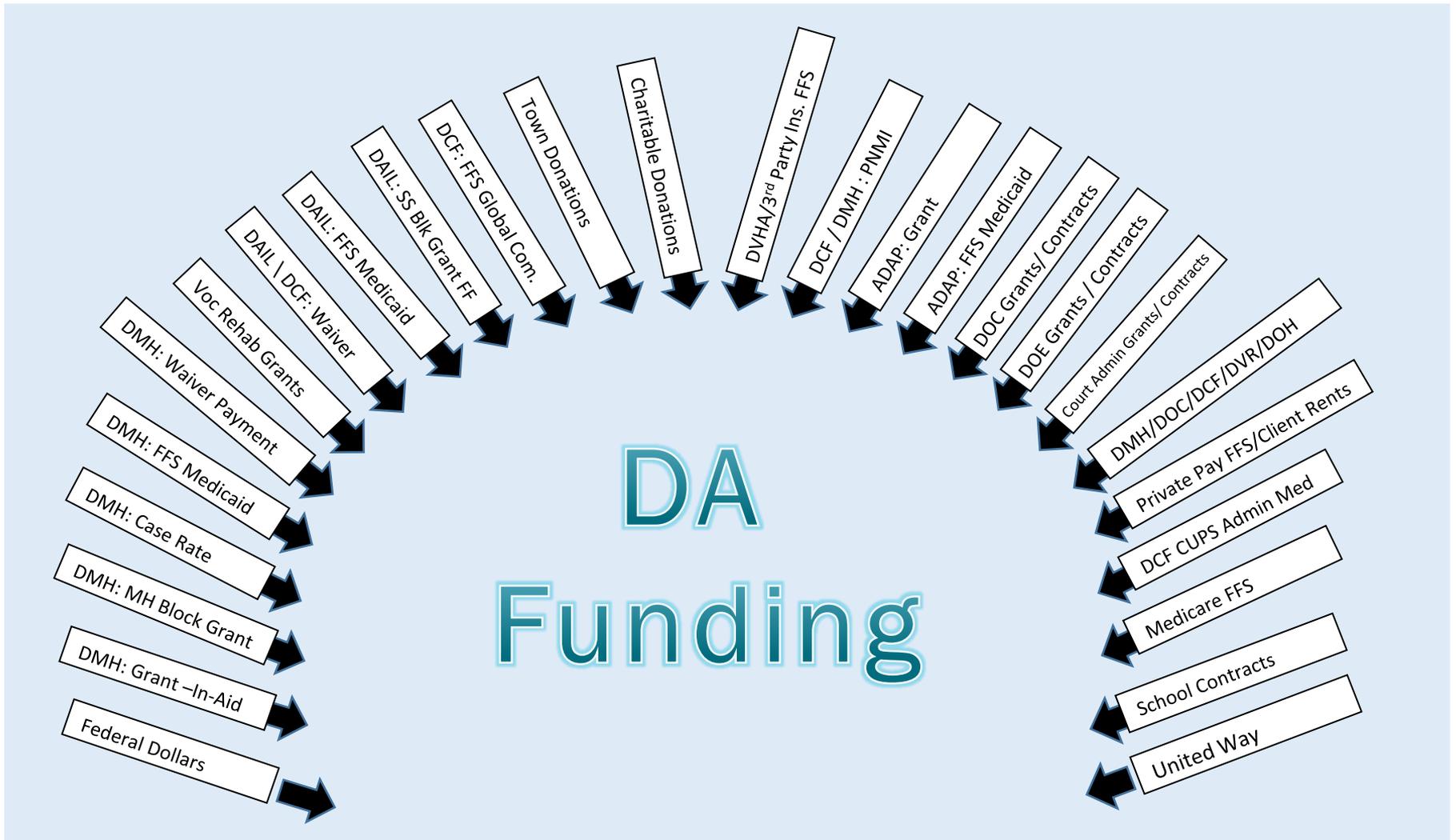
- 13,412 Vermonters work for the Agencies as either employees or contractors
- FY15 total compensation of \$262.5M for employees and in-state contractors

Services

- 35,000 clients served and 50,000 directly helped through programs (not all registered as clients)

Multiple Funding - Revenue Streams

source: Vermont Care Partners



Statewide System of Care

DA Funding Administrative Complexities

source: Vermont Care Partners

Multiple funding streams

- Administered by multiple state departments
- Requirements and processes with regards to eligibility, billing rules, quality reviews, and designation reviews are unique for each State Department
- Requirements and processes with regards to eligibility, billing rules, and quality reviews are unique for national accreditation, private insurance audits, annual financial audits, and compliance auditing

Multiple payment methodologies

- Daily and monthly waiver rates
- Monthly case rates
- Fee-for-service
- Bundled rate system (IFS)
- Individual program contracts
- Grants

Individual programs have distinct

- Eligibility criteria
- Documentation criteria
- Billing structures
- Reporting requirements
- Outcome/measurement criteria

Statewide System of Care

Varying Payment Mechanism Functionality

source: Vermont Care Partners

Fee-For-Service

- Bill individual rate per service
- Reimbursement rates vary based on service and payer
- Payers include commercial insurance, Medicaid, Medicare and self-pay

Bundled Rate

- Annual allocation with a target number of clients to serve
- Earned monthly with minimum service thresholds per client
- Capitates revenue generation

DS Waiver / MH Waiver

- Based on the annual planned cost to serve the client
- Incorporates all services the client will receive
- Billed by the day
- Some types audited to compare revenue and utilization

CRT Case Rate

- Annual allocation based on historical value of service delivery
- 6 month look back to compare revenue vs. service value
- Incorporates all services the client will receive

Contracts

- Arrangements with both public and private parties to deliver specific services
- Often used when other reimbursement models aren't a good fit
 - Uninsured client population
 - Services not billable to Medicaid / insurance

Grants

- Less restricted funding from both public and private sources
- Often used to build program capacity

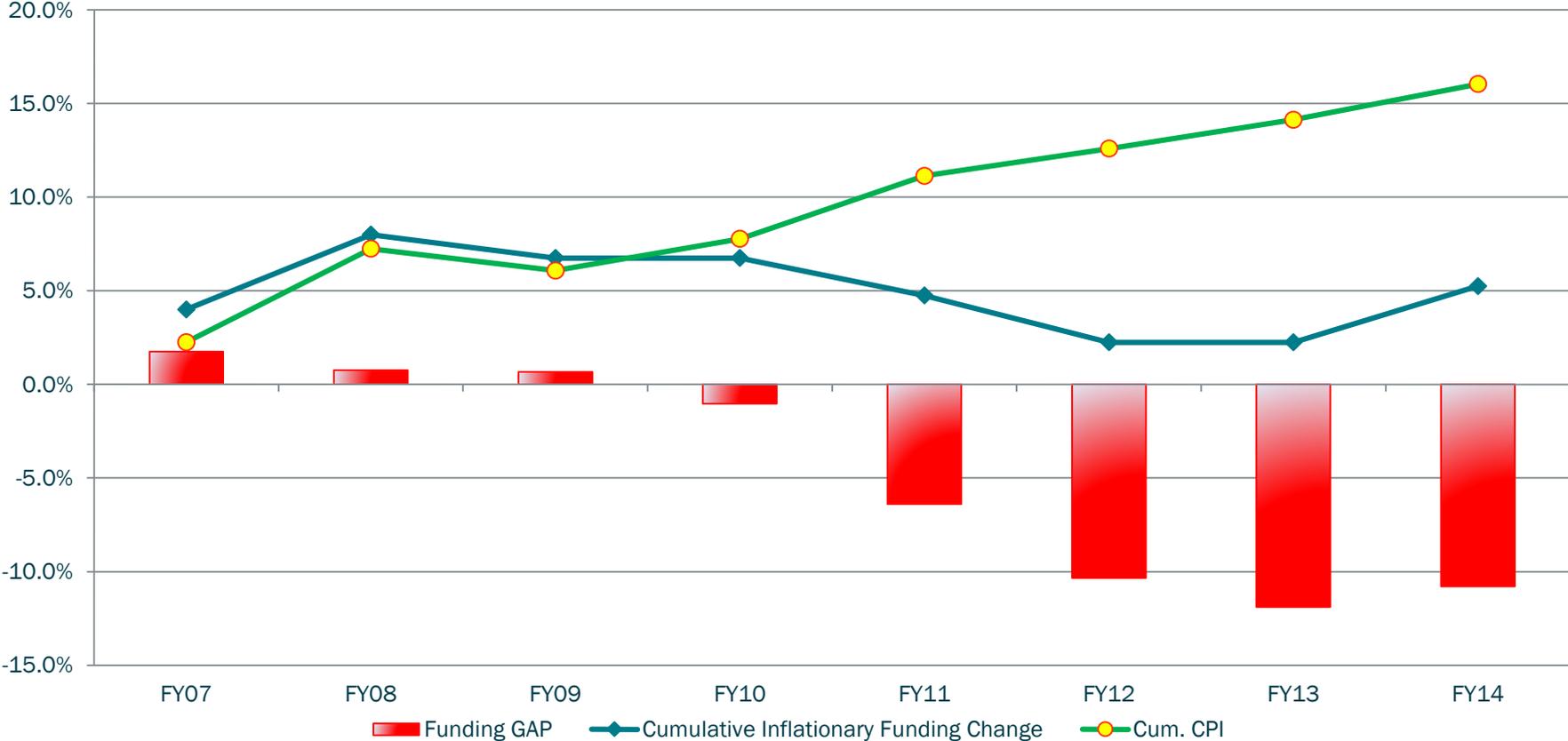
Technology/Data/Quality Performance Measurement Efforts

source: Vermont Care Partners

- Centers of Excellence
- Results Based Accountability / Outcome Reporting
- Electronic Medical Records
 - Connectivity with the VHIE
 - Meaningful Use / Patient Portal
- Data Repository
 - Streamlining MSR Data
 - System-Wide Data Analytics

GAP between the New England Consumer Price Index and Inflationary Funding for the DA System since FY07

source: Vermont Care Partners



Health Care Reform Efforts

source: Vermont Care Partners

Integrated Health

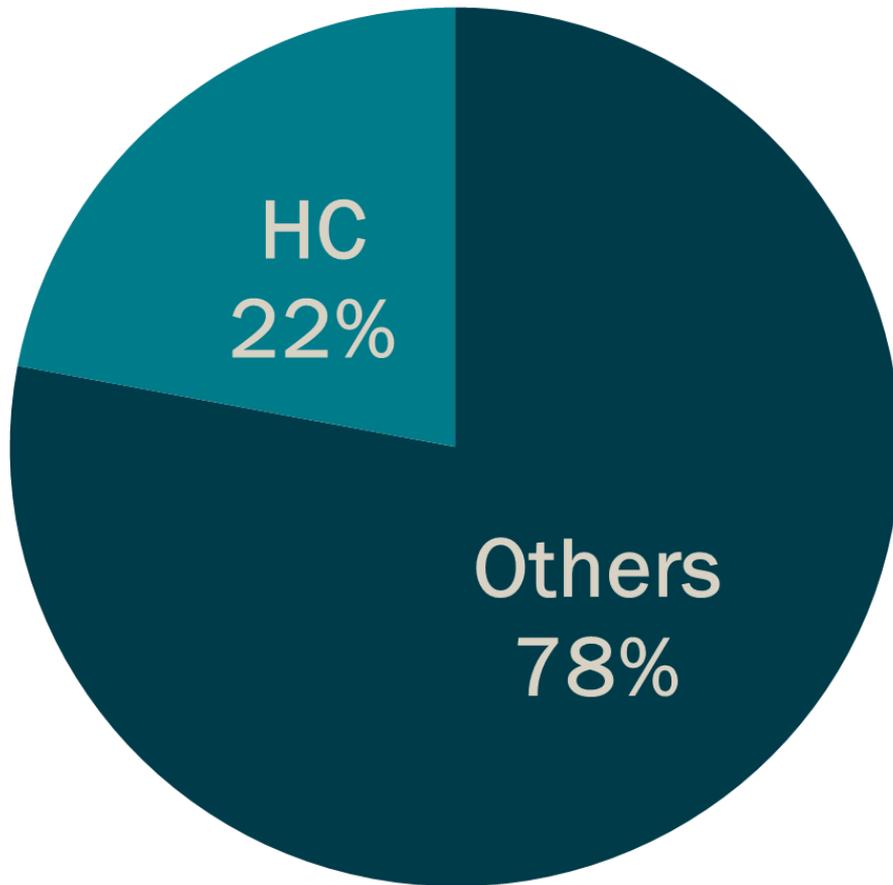
- FQHC Integration – Wellness Consultants
- Blueprint for Health – Community Health Teams
- Police Departments
- Emergency Room Case Managers/Crisis Clinicians
- Bi-Directional Primary Care

Payment Reform

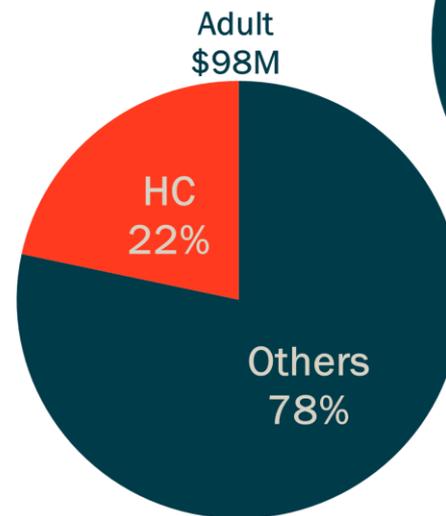
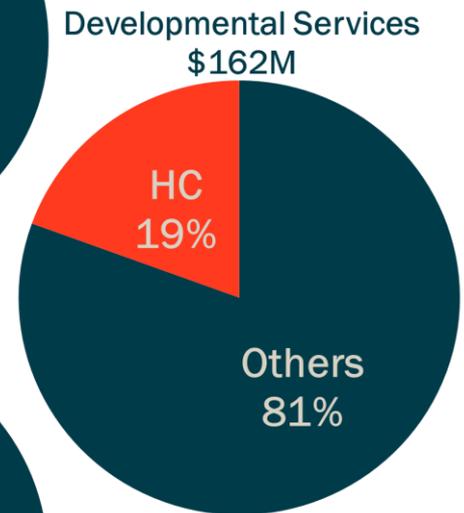
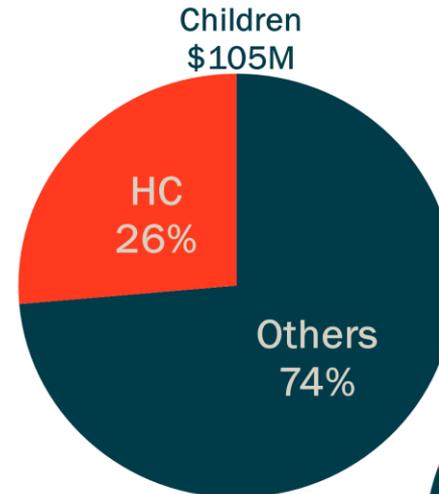
- Integrated Family Services
- CCBHC Prospective Payment Process (VT declined, starting new process through SIMS)
- Accountable Care Statewide Efforts
- GMCB Budget Review
- VCHIP PMDI Work (Payment Model Design and Implementation)
- DA/SIM/APM Workgroup

Howard Center FY16 Budget Overview

Howard Center within the system



Total System
FY14 \$365M



Service Offerings

Scope of Services

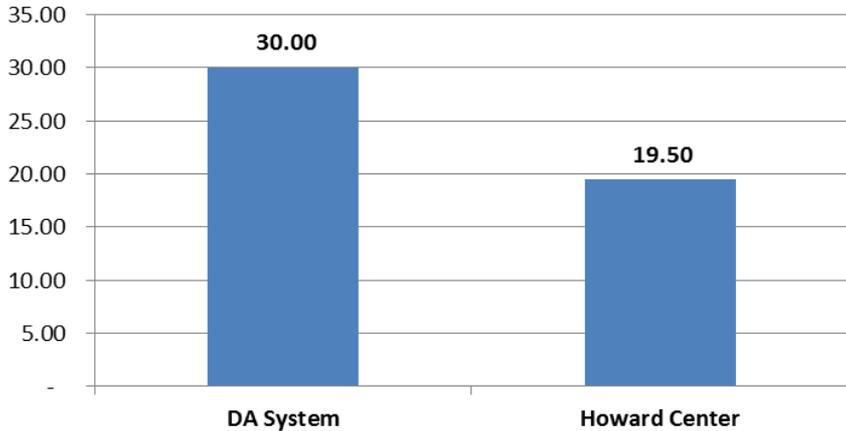
- 24 hour crisis response
- Outpatient services for children and adults
- Substance Abuse Treatment for adolescents and adults
- Case Management Services
- Developmental Services – Developmental Services, Choices for Care/Long-Term Care, Personal Care, Residential
- Mental Health Treatment – Children’s and Adult Residential, Mentoring, Independent Schools, Severe Mental Illness
- School Health – Therapeutic school services
- Employment Services
- Medical care and consultation
- Consultation for community partners

Service Volume (FY15)

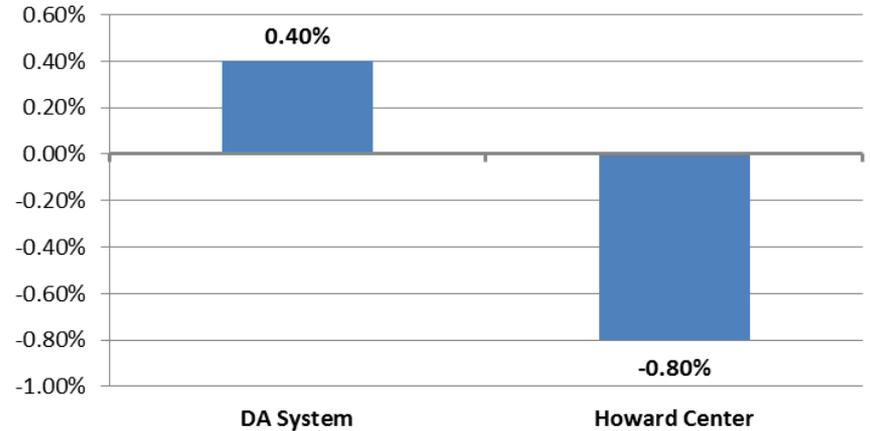
Clients Served:	8,467
New Clients Served:	3,966
DS Waiver Clients:	609
CRT Clients:	650
MAT Clients:	950
Clinic-Based Services:	101,397
Community-Based Svcs. (non-DS):	115,203
Bed Capacity:	193
Bed Days:	50,626
Shared Living Provider Days:	79,998
Crisis Contacts:	24,434
Caseload (Per Clinician):	Min 4 – Max 50
Waitlist Per Program:	Min 0 – Max 281
Current Total Waitlist:	576

Comparative Metrics

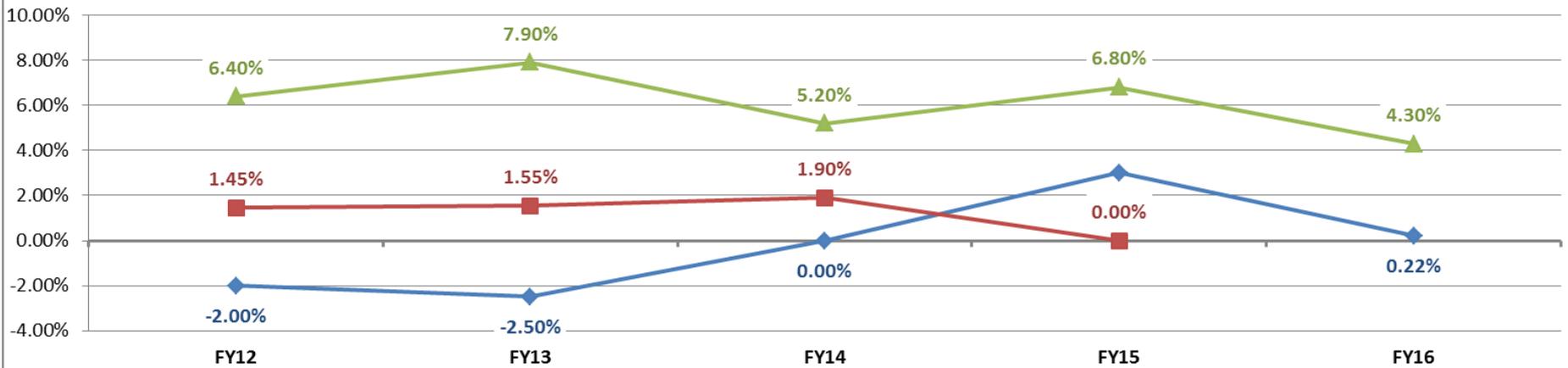
Days of Cash *



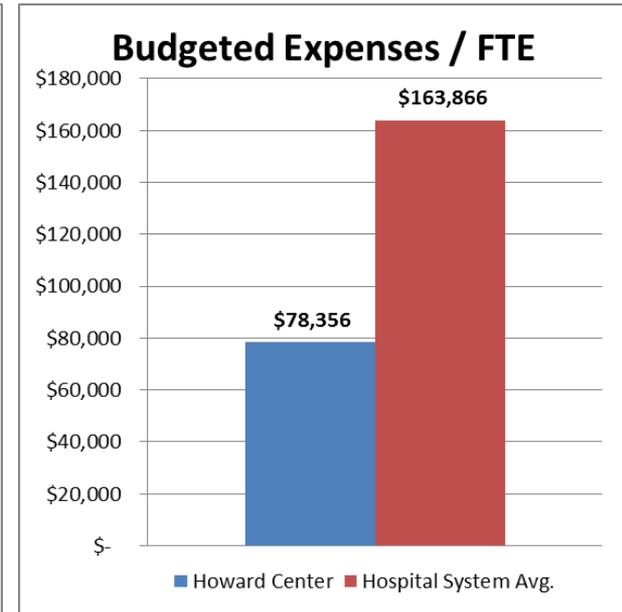
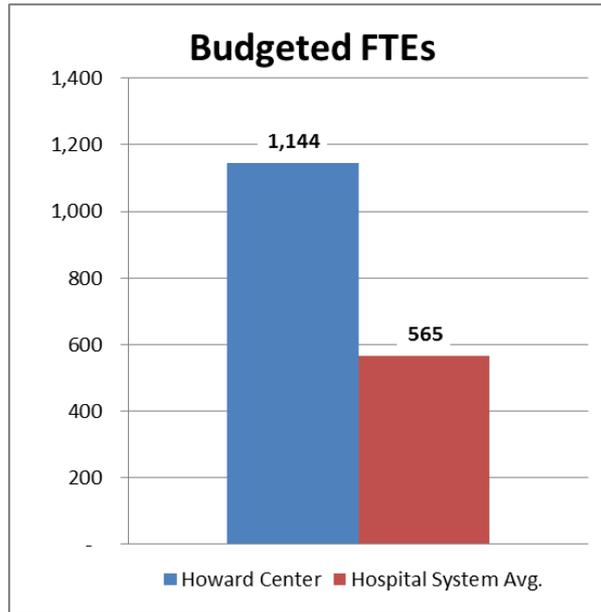
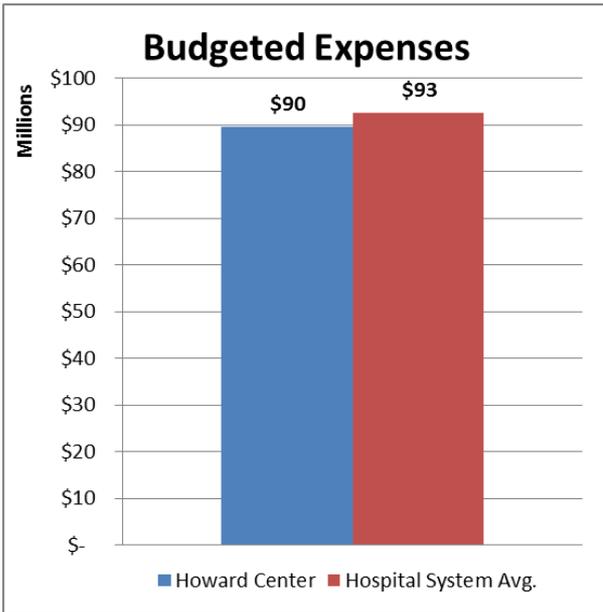
Operating Margin %



Annual Rate / Funding Increases

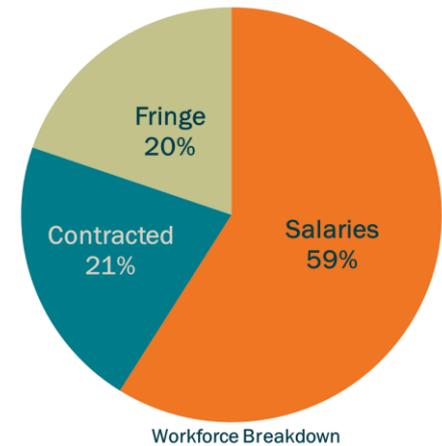
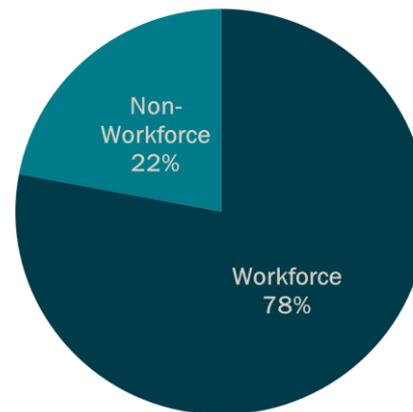


Labor Intensive Expense Base



Operating expenses are largely related to workforce

- Comparatively low equipment needs
- Occurrence of community based service delivery (reduces office space needs)
- Suppressed operating costs and planned capital investment



FY16 Budget Assumptions

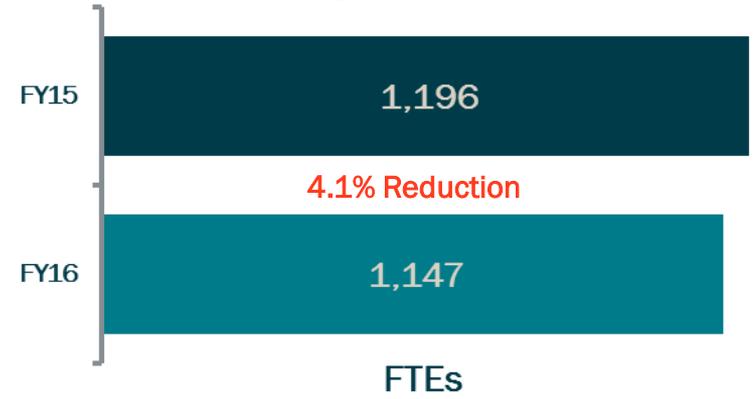
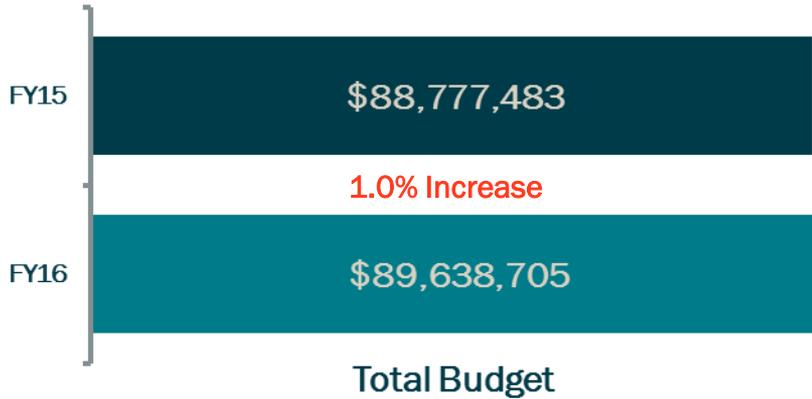
Revenue

- 1.75% Medicaid Reimbursement Rate Increase Effective 1/1/16
- Increased capacity
- Increased utilization
- Increased productivity
- Increased grant funding for un/underinsured

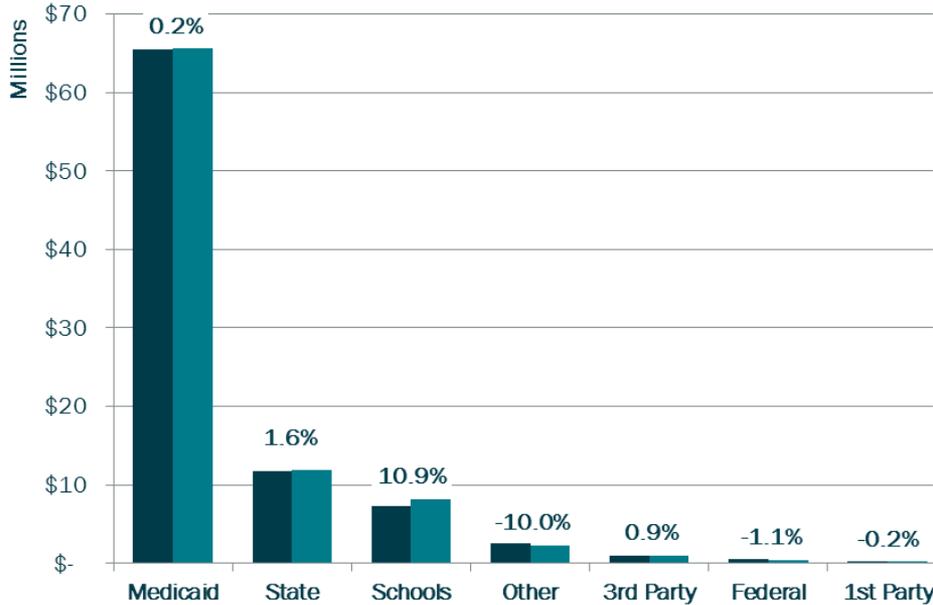
Expense

- Modify DS service delivery model
- Mileage rate follows IRS rate (10% increase)
- Fringe 33.6% of comp
- Health Insurance +10%
- All other operating hold to <1% inflationary
- Increase compensation
- Limit capital expense to build operating cash on hand

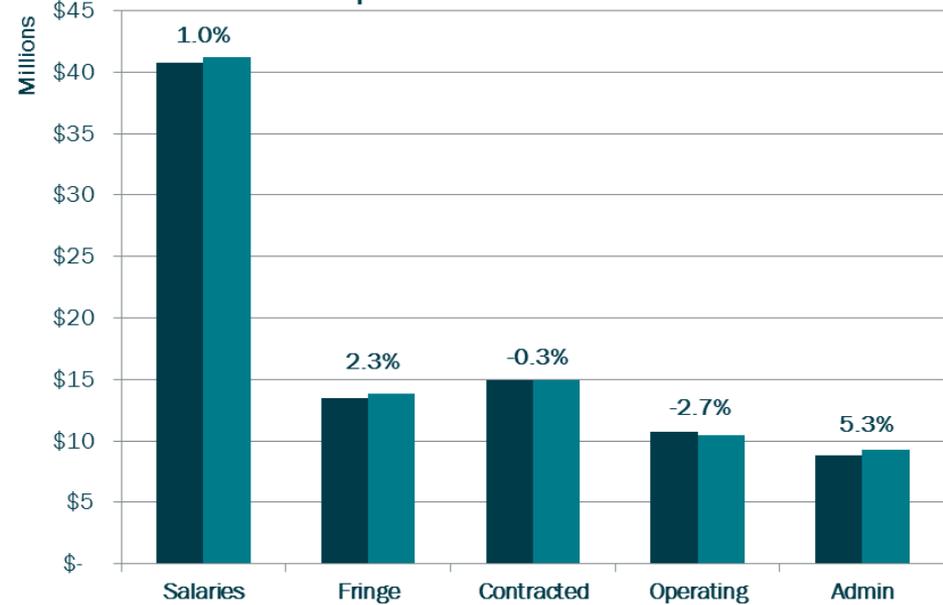
Year to Year Budget Comparison



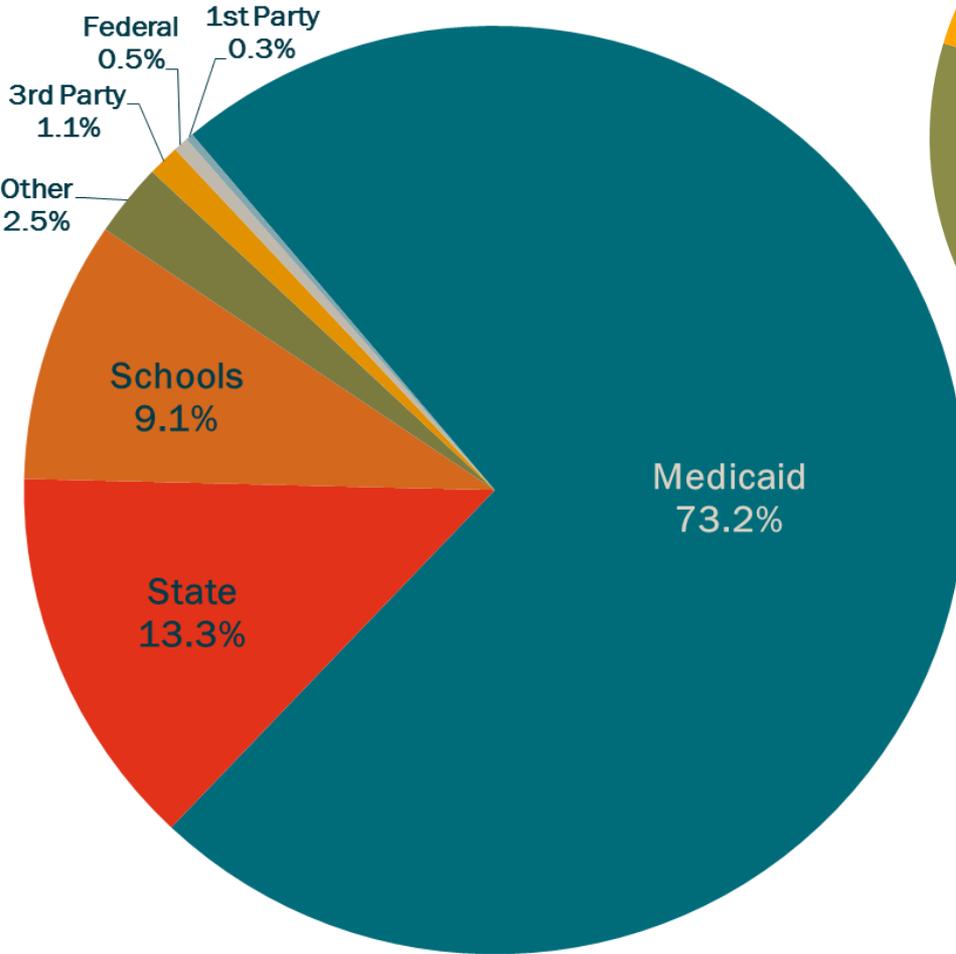
Revenue - FY15 vs. FY16



Expenses - FY15 vs. FY16

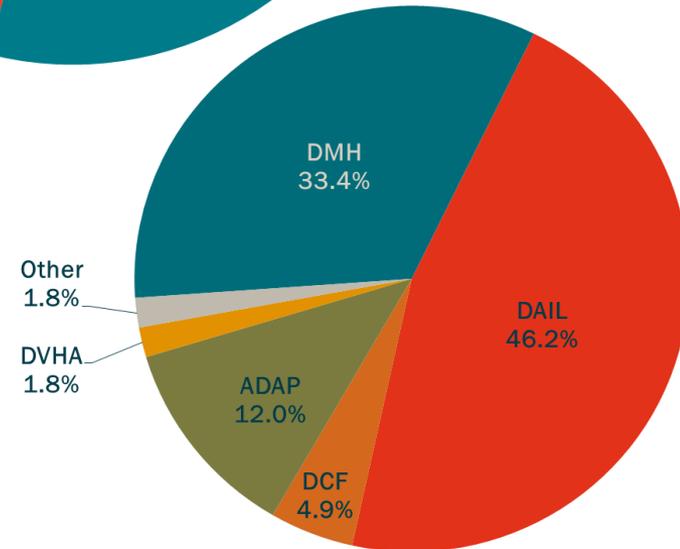
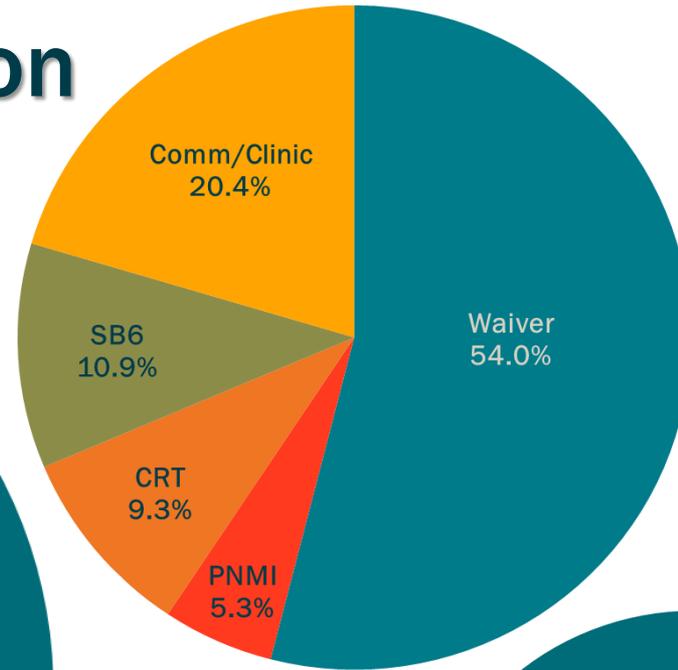


Revenue Composition



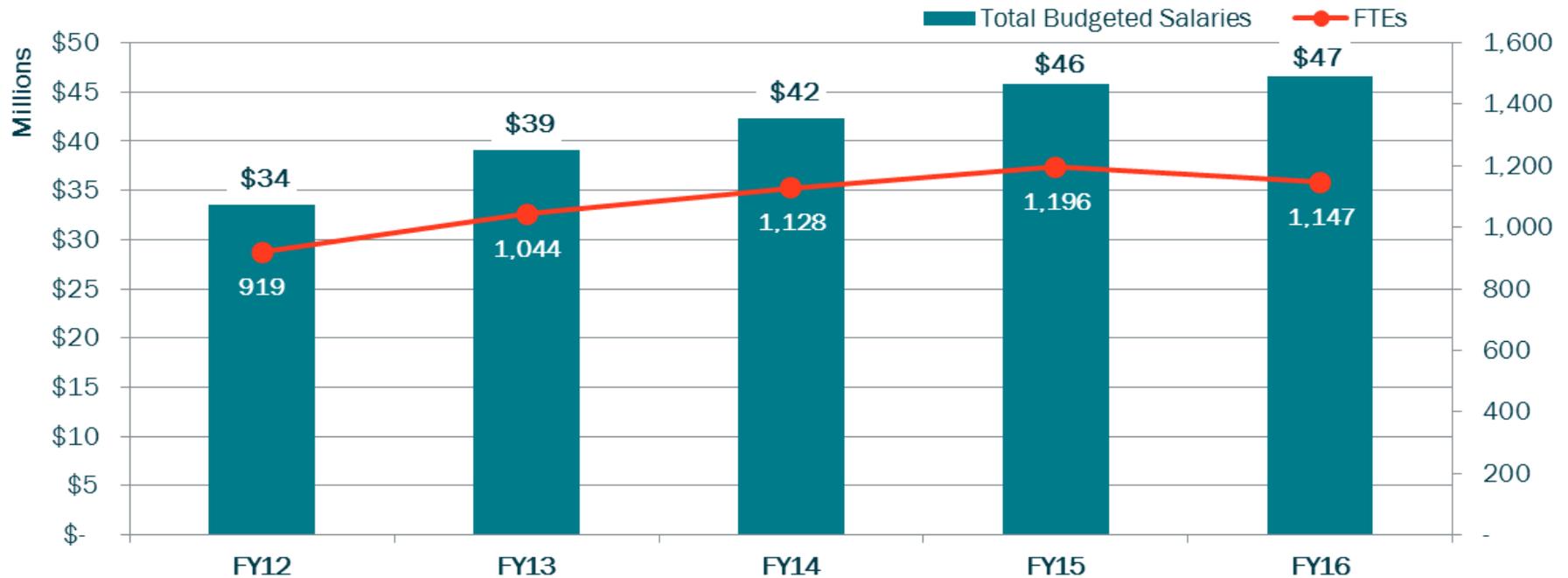
Total Revenue

Medicaid Breakdown

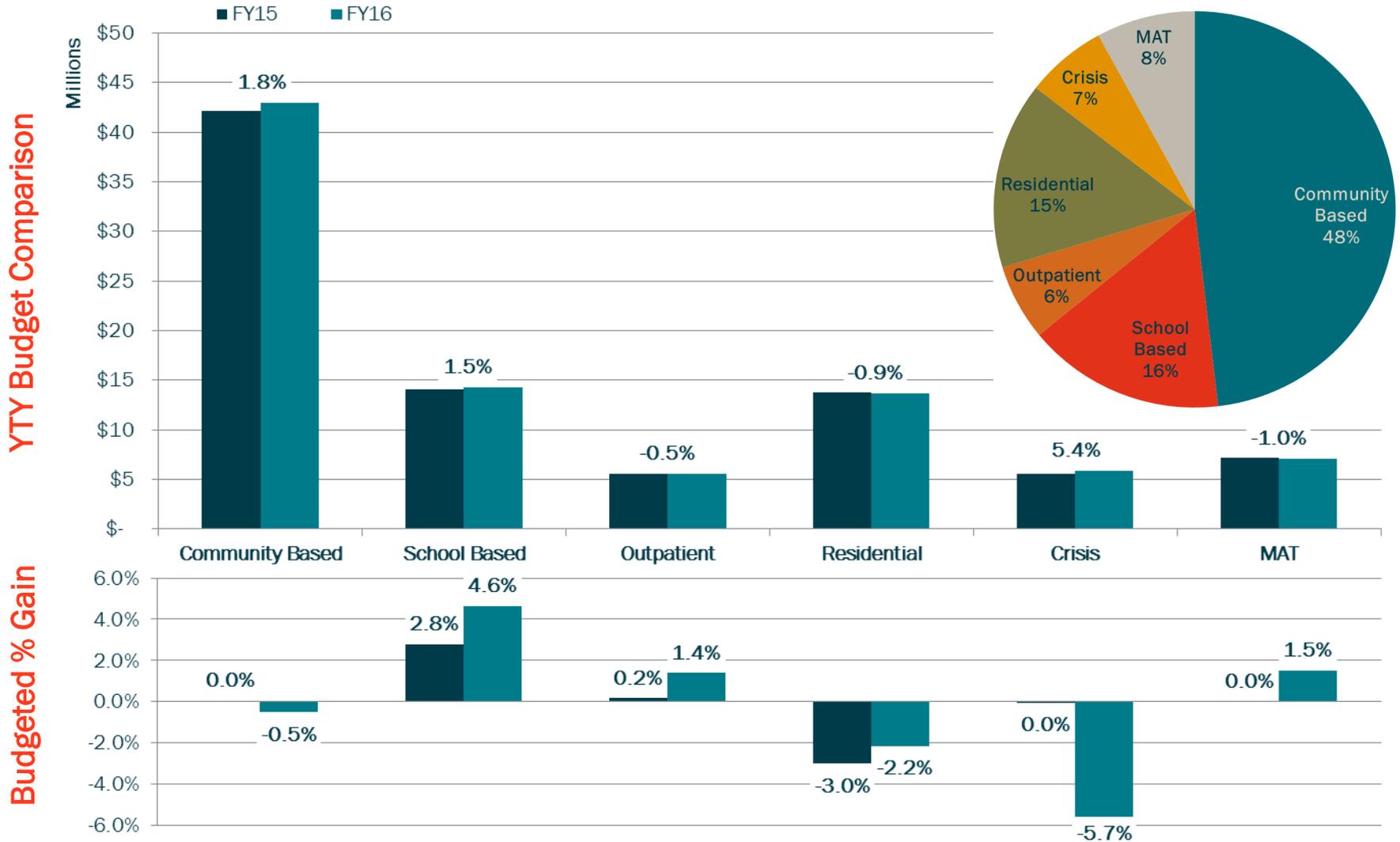


Source of Medicaid & State

Budgeted Salaries & Wages Trend



Budget by Program Grouping



FY16 Budget Critical Keys for Successful Implementation

Revenue

- X Medicaid rate increase
- X Increased capacity
- X Increased utilization
- X Residential occupancy
- ✓ Meet productivity targets and documentation requirements
- ✓ Increased ADAP uninsured grant
- X Rate negotiations
- ✓ Contract and grant negotiations

Expense

- X DS model change
- ✓ Mileage rate to IRS rate
- ✓ Fringe 33.6% (moved to self-insured health insurance)
- ✓ <1% Inflationary other operating
- ✓ Increase compensation
- ✓ Limit capital expense to build available cash

Outlook

FY16

- Current gain primarily due to vacancies
- Excessive burden on staff due to vacancies
- Manage waitlists
- Increase hiring rates and related comp to reduce Q3/Q4 vacancies
- Offset Medicaid rate increase not received
- Continue payment reform work to include work with GMCB and participation in DA/SIM/APM workgroup

FY17

- Fund annualization of FY16 off-cycle compensation increases
- Fund FY17 contractual compensation increases (entering negotiations for BU contract expiring 6/30/16)
- Fund anticipated DOL exempt reclassification
- Build reserves to weather risk related to self-insured workers comp and health care
- Fund enhancement for capital budget including technological systems



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